

ADVANCE INVEST

Investment Objective

To seek long term capital appreciation through investments in stocks listed on the Bulgarian & Romanian markets. The fund is actively managed through bottom-up selection of undervalued stocks with high growth potential as determined by fundamental measures.



*This is marketing material

31 May 2025

Fund Manager's Comment

The stock indices of Bulgaria and Romania quickly caught up with the regional benchmark in May. SOFIX surged by 12.8%, surpassing the 1,000-point mark for the first time in 17 years in early June. BET posted a 6.7% gain following a positive turn in the presidential elections. Trading activity in Bucharest accelerated more noticeably, rising by 39% MoM, while equity turnover on the Bulgarian Stock Exchange increased by 5.6%.

Shelly Group led SOFIX higher, as the market cap leader rose by 38.6%. Robust earnings in 1Q25 and flows from a broader foreign investor base were the key catalysts behind the strong performance. Both revenue growth (28.9% YoY) and EBIT margin came slightly above guidance. The solid business outlook was further reinforced by Shelly's main manufacturing partner in China, who announced plans to nearly double its capacity in 2H25 — to 1.5 mn devices per month, with a further increase to 2 mn in 2026. The earnings season brought positive surprises for several other index constituents. Shares of Sirma Group, one of the Fund's major holdings, rose by 33.9%, driven by strong 1Q25 sales growth (+35% YoY), in line with management's ambitious target of doubling revenues to EUR 100 mn by 2028. At the same time, the company announced the initiation of listing on the EuroBridge segment, with trading in Frankfurt expected to begin within 6 to 9 months. A significant contribution to both the index and the Fund came also from Sopharma (+16.2%), where revenue growth from export markets accelerated, as well as FIB (+28.1%) and the Bulgarian Stock Exchange (+21.7%), with investors anticipating higher financial income from BSE's subsidiary, the Bulgarian Independent Energy Exchange (IBEX), as a result of the new trading segment for electricity distributed to households.

Romanian stocks rallied on the victory of centrist candidate Nicușor Dan in the second round of the presidential elections. Market expectations that Dan will strengthen the pro-European ruling coalition by bringing in the liberal USR party will likely materialize. However, difficult debates lie ahead on necessary fiscal consolidation measures. In the short term, this will likely put pressure on equities, considering the focus is on the budget revenue side—namely increases in various tax rates (VAT, corporate tax, dividend tax, etc.).

Fund shares rose by 11.7%, driven by key Bulgarian positions such as Shelly, Sirma, and Sopharma, which accounted for half of the return. Sector wise, the rally was broad based, with tech companies in the lead, followed by health care and financials, specifically banks in Greece and Bulgaria.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Georgiev
Fund size	BGN 20.99 M
NAV/share	BGN 2.6209
Launch date	10/05/2004
Benchmark	MSCI EFM Europe + CIS ex RU
Currency of account	BGN (1EUR = BGN 1.95583)
Subscription fee	up to 1.50%
Management fee	2.5 % NAV p.a.
Redemption fee	none
Minimum investment	none

Fund Identifiers

ISIN	BG0000014134
Reuters Lipper	68417296
Код в Bloomberg	ADVIMFD BU

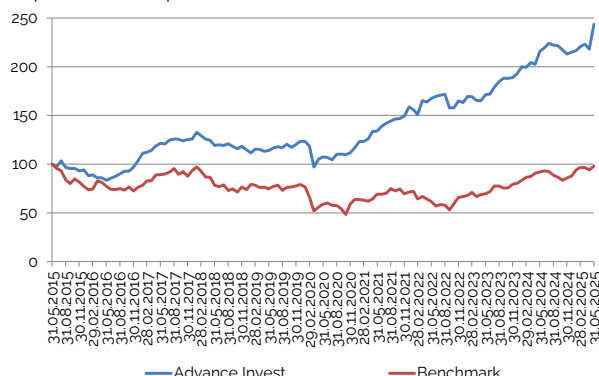
Past performance does not predict future returns.

Fund Results (31.05.2025)

	Fund	Benchmark
1 month	11.69%	3.98%
1 year	12.87%	6.42%
Year to Date	13.29%	11.40%
Since Launch (annualized)	4.77%	2.46%

Fund performance vs Benchmark

Past performance does not predict future returns.



Annual Performance

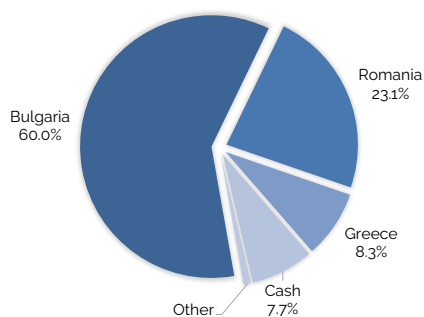
	Fund	Benchmark
2024	11.33%	9.27%
2023	18.25%	20.55%
2022	2.84%	-6.49%
2021	36.06%	11.71%
2020	-5.56%	-19.20%
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%

Source: The calculated yield is based on net asset value per unit and does not include issuance and redemption costs, according to the Fund's Rules and Prospectus. *Benchmark information is based on official data from www.msci.com

The risks of investing in shares of the contract fund are market, interest, liquidity, currency, operational, settlement risk, legislative, concentration risk, etc. More information about the risks can be found in the fund's prospectus.

Portfolio Breakdown

Market Breakdown



Sector Breakdown

Financials	21.54%
IT	19.50%
Health Care	10.46%
Industrials	9.84%
Energy	8.35%
Real Estate	8.06%
Cash	7.71%
Consumer Discretionary	5.40%
Utilities	4.16%
Consumer Staples	3.45%
Other	0.91%
Materials	0.61%

5 Largest holdings

Shelly Group, Bulgaria, IT	Sopharma, Bulgaria, Health Care	Sirma Group Ad, Bulgaria, IT	Bulgarian Real Estate Fund Inc, Bulgaria, Real estate	OMV PETROM, Romania, Energy
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This is a marketing message. Please review the prospectus and key information document of the relevant fund before making an investment decision. The information is valid at the date of issue of the marketing material and may change in the future. The information provided does not constitute investment advice, advice, investment research or investment recommendation and should not be construed as such. The value of the Fund's units and the income from them may decline, profit is not guaranteed and investors bear the risk of not recovering their investment in full. Investments in funds are not guaranteed by a guarantee fund created by the state or by any other type of guarantee. Previous results of the activity have no connection with the future results of an investment company. Future results are subject to taxation depending on the personal circumstances of each investor and may change in future periods. The documents are available in Bulgarian on the website www.karollcapital.bg, and upon request they can be obtained free of charge in paper form at the office of the Management Company. The fund is actively managed and does not follow an index. A summary of shareholder rights is available at https://karollcapital.bg/uploads/2023/Prava_na_pritejatelite.pdf